

September 11, 2008

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The Honorable Kathleen Sebelius Governor State of Kansas Capitol Building, Second Floor Topeka, Kansas 66612

RE: 60-day extension for necessary background investigations

## Dear Governor Sebelius:

I write to request a 60-day extension for the Racing and Gaming Commission to conduct the backgrounds on all prospective lottery gaming facility managers that are selected by the Lottery Gaming Facility Review Board. Such an extension is necessary to ensure that the KRGC's thorough evaluation of prospective managers is not unreasonably restrained and, ultimately, to ensure that the integrity of gaming in Kansas will be upheld by the prospective manager. Similar extensions have been granted to other agencies.

As background, the Expanded Lottery Act establishes that the Racing and Gaming Commission is responsible for conducting the "background investigations of prospective lottery gaming facility managers, their directors and officers and any other persons having an interest in such prospective managers." K.S.A. 74-8736(e). Although a thorough and complete background investigation can take many months at the very least, the Expanded Lottery Act gives the KRGC ten days to perform the necessary investigation.

Under the statute, however, you can grant a 60-day extension on that original deadline. K.S.A. 74-8736(f). Such an extension is necessary here.

You have granted similar extensions to other state agencies that are involved in this process. Specifically, you granted the Kansas Lottery a 60-day extension on March 5, 2008, to complete contract negotiations with each of the prospective managers. Likewise, you granted the Lottery Gaming Facility Review Board a 60-day extension on June 18, 2008, to complete hearings in each zone before forwarding the recommended contracts to the Racing and Gaming Commission.

The KRGC now respectfully requests a 60-day extension of the deadlines that apply in each gaming zone so that it can work toward completing the necessary background investigation

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of the prospective lottery gaming facility managers, their directors and officers and any other persons having an interest in such prospective managers. This extension would establish the following dates for background approvals:

Southeast zone -- Cherokee County - November 14, 2008

Southwest zone -- Ford County -- December 5, 2008

South central zone -- Sumner County - December 5, 2008

Northeast zone -- Wyandotte County - December 5, 2008

If you concur with this extension request, please sign below. Thank you for your consideration.

Sincerely,

Stephen L. Martino Executive Director

SLM:cd

Approved this LSW day of September, 2008.

The Honorable Kathleen Sebelius, Governor of the State of Kansas